NEW ISSUE—BOOK-ENTRY ONLY

In the opinion of Orrick, Herrington & Sutcliffe LLP, Special Tax Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Series 2001-C Bonds is excluded from gross income for federal income tax purposes under Title XIII of the Tax Reform Act of 1986, as amended (the "1986 Act"), and Section 103 of the Internal Revenue Code of 1954, as amended. In the further opinion of Special Tax Counsel, interest on the Series 2002-A Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Special Tax Counsel observes that such interest is included in adjusted current earnings in calculating federal corporate alternative minimum taxable income. Special Tax Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2002-A Bonds. See "TAX MATTERS" herein.

$405,745,000

Energy Northwest

$248,485,000 Project No. 1 Refunding Electric Revenue Bonds, Series 2002-A
$157,260,000 Columbia Generating Station Refunding Electric Revenue Bonds, Series 2002-A

Dated the date of delivery **Due: July 1, as shown on the inside cover**

The Series 2002-A Bonds are being issued for the purpose of refunding Prior Lien Bonds heretofore issued by Energy Northwest in connection with Project 1 and the Columbia Generating Station, as more fully described herein. The Series 2002-A Bonds are special revenue obligations of Energy Northwest secured and payable as provided herein on a subordinated basis to the Prior Lien Bonds. See "SECURITY FOR THE NET BILLED BONDS."

The Series 2002-A Bonds will be issued in fully registered form, registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2002-A Bonds. Individual purchases will be made in book-entry form, in denominations of $5,000 and integral multiples thereof. So long as Cede & Co. is the registered owner of the Series 2002-A Bonds and the nominee of DTC, references herein to holders or registered owners shall mean Cede & Co. and shall not mean the beneficial owners of the Series 2002-A Bonds. See "DESCRIPTION OF THE SERIES 2002-A BONDS—Book-Entry Only System; Transferability and Registration" and Appendix H hereto. Principal of the Series 2002-A Bonds is payable at the principal corporate trust office of BNY Western Trust Company, as Trustee for the Series 2002-A Bonds. Interest on the Series 2002-A Bonds is payable semiannually on January 1 and July 1 of each year, commencing July 1, 2002, by check or draft of the Trustee, as set forth herein or, under the circumstances described herein, by wire transfer to the registered owner. As long as Cede & Co. is the registered owner as nominee of DTC, payments on the Series 2002-A Bonds will be made to such registered owner and disbursement of such payments will be the responsibility of DTC and DTC participants, as described herein.

The Series 2002-A Bonds are subject to redemption prior to maturity as set forth herein.

Payments when due of the principal of and interest on the Series 2002-A Bonds specified on the inside cover will be insured by municipal bond insurance policies issued by Financial Security Assurance Inc. ("FSA") and MBIA Insurance Corporation ("MBIA"), respectively. See "SECURITY FOR THE NET BILLED BONDS—Bond Insurance."

FSA. MBIA

The Series 2002-A Bonds are secured on a subordinated basis to the Prior Lien Bonds from amounts derived pursuant to Net Billing Agreements with the United States of America, Department of Energy, acting by and through the Administrator of the

Bonneville Power Administration

from net billing credits and from cash payments from the Bonneville Fund, as described herein. Bonneville's obligations under the Net Billing Agreements are not general obligations of the United States of America and are not secured by the full faith and credit of the United States of America. The Series 2002-A Bonds do not constitute an obligation of the State of Washington or of any political subdivision thereof, other than Energy Northwest. Energy Northwest has no taxing power.

MATURITY SCHEDULE—See Inside Cover

The Series 2002-A Bonds are offered when, as and if issued and received by the Underwriters, subject to the approval of legality by Willkie Farr & Gallagher, New York, New York, Bond Counsel to Energy Northwest, and to certain other conditions. Certain tax matters will be passed upon by Orrick, Herrington & Sutcliffe LLP, Special Tax Counsel. Certain legal matters will be passed upon for Energy Northwest by its General Counsel and for Bonneville by its Acting General Counsel and by its Special Counsel, Orrick, Herrington & Sutcliffe LLP, New York, New York. Certain legal matters will be passed upon for the Underwriters by O'Melveny & Myers LLP, New York, New York, Counsel to the Underwriters. It is expected that the Series 2002-A Bonds in definitive form will be available for delivery through the facilities of DTC in New York, New York, on or about February 25, 2002.

Salomon Smith Barney

Bear, Stearns & Co. Inc. Goldman, Sachs & Co. UBS PaineWebber Inc.

February 15, 2002

2002-A Bonds to be redeemed, together with interest thereon to the redemption date, are held by the Paying Agent for such Series 2002-A Bonds on the redemption date.

PLAN OF REFUNDING

GENERAL

The Project 1 2002-A Bonds are being issued for the purposes of providing funds to refund $249,385,000 aggregate principal amount of Project 1 Prior Lien Bonds (the "Project 1 Refunded Bonds") and providing for the payment of certain expenses relating to the issuance of the Project 1 2002-A Bonds. The Project 1 Refunded Bonds were issued pursuant to the Project 1 Prior Lien Resolution for the purpose of refinancing the costs of planning, construction and acquisition of Project 1. The Columbia 2002-A Bonds are being issued for the purposes of providing funds to refund $152,400,000 aggregate principal amount of Columbia Prior Lien Bonds (the "Columbia Refunded Bonds" and, together with the Project 1 Refunded Bonds, the "Refunded Bonds") and providing for the payment of certain expenses relating to the issuance of the Columbia 2002-A Bonds. The Columbia Refunded Bonds were issued pursuant to the Columbia Prior Lien Resolution for the purpose of refinancing the costs of planning, construction and acquisition of Columbia.

A major portion of the proceeds of the Series 2002-A Bonds and other available amounts will be used to purchase investment securities permitted by the Prior Lien Resolutions (the "Investment Securities"), maturing in such amounts and at such times as shall be sufficient, together with the interest to accrue thereon, to pay the principal or redemption price, as applicable, of all of the Refunded Bonds on the dates and in the amounts set forth in the following table entitled "Refunded Bonds" and to pay interest on all Refunded Bonds to the date of their retirement. Concurrently with such purchase of Investment Securities, Energy Northwest shall deposit such Investment Securities in separate trust funds established with the Bond Fund Trustee for each of the Series of Refunded Bonds pursuant to the Supplemental Resolutions adopted by the Executive Board and escrow agreements between Energy Northwest and the Bond Fund Trustee for each of the Series of Refunded Bonds. At the time of such deposit, Energy Northwest shall direct the Bond Fund Trustee for each of the Series of Refunded Bonds to make an irrevocable provision for the giving of notice of redemption of such Refunded Bonds to be redeemed, if any.

REFUNDING PLAN

In the Spring of 2000, Bonneville presented its Debt Optimization Proposal ("Bonneville Proposal") to Energy Northwest. The Bonneville Proposal involved the extension of the final maturity of outstanding Columbia Refunding Revenue Bonds from 2012 to 2018 through a series of refunding bond issues. Bonneville manages its overall debt portfolio to meet the objectives of: 1) minimizing the cost of debt to Bonneville's rate payers; 2) maximizing Bonneville's access to its lowest cost capital sources to meet future capital needs at the lowest cost to rate payers; and 3) maintaining sufficient financial flexibility to handle Bonneville's financial requirements. Implementing the Bonneville Proposal will provide Bonneville with cash flow flexibility in funding planned capital expenditures, allow Bonneville to advance the amortization of Bonneville's high interest Federal debt and reduce Bonneville's overall fixed costs.

Energy Northwest, in response to the Bonneville Proposal, developed its 2000 Refunding Plan. The 2000 Refunding Plan also reaffirmed the historical debt service savings goals for any future refinancing of Projects 1 and 3 Net Billed Bonds. The Executive Board of Energy Northwest formally adopted the 2000 Refunding Plan in October 2000.

In September 2001, Energy Northwest's Executive Board adopted an updated Refunding Plan. Such Refunding Plan included a revision which incorporated the increase in the average life of Projects 1 and 3 Net Billed Bonds as a refinancing program objective for any future refinancing of such bonds. An additional objective of the refinancing program is to advance refund outstanding, noncallable Net Billed Bonds.

Information relating to the Project 1 Prior Lien Bonds and the Columbia Prior Lien Bonds to be refunded with the proceeds of the Series 2002-A Bonds is set forth below.